

ASSEMBLY BILL

No. 1287

Introduced by Assembly Member Buchanan

February 18, 2011

An act to add Section 53087.7 to the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1287, as introduced, Buchanan. Local government: audits.

Existing law requires school districts to comply with General Accounting Office standards for financial and compliance audits, as specified, and prohibits an independent auditor from engaging in financial compliance audits unless, within 3 years of commencing the first of the audits, and every 3 years thereafter, the auditor completes a quality control review in accordance with General Accounting Office standards.

This bill would require local agencies, defined to include cities, counties, a city and county, special districts, authorities, or public agencies, to comply with General Accounting Office standards for financial and compliance audits and would prohibit an independent auditor from engaging in financial compliance audits unless, within 3 years of commencing the first of the audits, and every 3 years thereafter, the auditor completes a quality control review in accordance with General Accounting Office standards.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 53087.7 is added to the Government
2 Code, to read:
3 53087.7. (a) Financial and compliance audits of local agencies
4 shall be performed in accordance with General Accounting Office
5 standards for financial and compliance audits.
6 (b) An independent auditor shall not engage in financial or
7 compliance audits unless, within three years of commencing the
8 first of the audits, and every successive three years thereafter, the
9 auditor completes a quality control review in accordance with
10 General Accounting Office standards. The time period between
11 commencement of the first audit, or completion of a quality control
12 review, and completion of a subsequent quality control review
13 shall be calculated from the first day of the month following
14 commencement of the audit or completion of the quality control
15 review.
16 (c) For purposes of this section, “local agency” means a city,
17 county, city and county, special district, authority, or public agency.